

This section of the *California School Accounting Manual* presents the codes and descriptions of the accounts comprising each of the seven fields in SACS. The fields are presented as follows:

- Fund/Account Group
- Resource (Project/Reporting)
- Project Year
- Goal
- Function (Activity)
- Object
- School

In the following pages each field will be examined. First, the field and its use are described. Second, examples are offered that demonstrate the application of the field in typical revenue, expenditure, and balance sheet transactions. Third, a list is provided of the required and optional account codes and account titles for the field. Fourth, the flexibility of the field for LEA use is discussed. Finally, a detailed list of the accounts is presented to fully describe the proper use of the field.

Optional codes are shown in *italics*; their use is *not required for state reporting purposes*. However, LEAs that choose to account for transactions at the optional, lower level of detail are required to use the optional codes in this section when they apply to affected transactions. In other words LEAs cannot use their own codes or definitions to identify accounts that are already defined by required or optional codes in this section. Further, neither the codes nor the definitions of any codes that appear in this section (required or optional) may be altered by LEAs for their own use. LEAs may, however, create and use their own unique codes and definitions to reflect accounting detail not addressed by this section. If an LEA elects to use locally defined optional codes, account balances in such accounts must be “rolled up” by the LEA to the coding level specified by the California Department of Education (CDE) for the purpose of transmitting accounting data for state financial reporting.

For example, an LEA may code its transactions to the minimum level required by this section (see Section 105—Function for further detail), as follows:

8100	Plant Maintenance and Operations (required minimum level of detail)
8500	Facilities Acquisition and Construction (required minimum level of detail)
8700	Facilities Rents and Leases (required minimum level of detail)

Or an LEA may code its transactions to a more detailed level by using the optional codes in this section, more detailed codes developed by the LEA (which do not conflict with either the required or optional codes in this section), or a combination of both, as shown in the following example:

8100	Plant Maintenance and Operations (required minimum level of detail)
8110	<i>Maintenance (optional code in this section)</i>
8120	<i>Repairs, Vandalism (optional locally defined code)</i>
8200	<i>Operations (optional code in this section)</i>
8700	Facilities Rents and Leases (required minimum level of detail)

## 100—Account Code Descriptions

In this example the LEA used the more detailed optional codes defined in Part II as well as a locally defined code in addition to the required codes. At year-end for transmission of data to CDE, the transactions in optional codes 8110 and 8200 must be reported separately to CDE. However, any locally defined codes must “roll up” (or combine) to the minimum level designated by CDE. Function 8120 would “roll up” into Function 8110. This method of reporting will permit CDE to “roll up” the accounts to a level that provides for statewide comparisons with districts not using the optional codes.

*Caution:* CDE is not encouraging the use of locally defined codes, but the system does allow local flexibility. It must be understood, however, that if LEAs elect to add their own detailed codes, they should be aware that in the future some of the codes they use may be preempted by CDE for other uses.

## **1. How the Fund/Account Group Field Is Used**

### **Fund**

The accounting systems of school districts and county offices of education are organized and operated on a fund basis. A fund is an accounting entity with a self-balancing set of accounts recording financial resources and liabilities. It is established to carry on specific activities or to attain certain objectives of an LEA in accordance with special regulations, restrictions, or limitations.

The fund field applies to revenue, expenditure, and balance sheet accounts.

### **Account Group**

An account group is a self-balancing group of accounts established to account for fixed assets of an LEA or to account for the unmatured general long-term debt of an LEA.

The account group field applies to balance sheet accounts.

## 101—Fund/Account Group

### 2. Examples of Coding in the Fund/Account Group Field

#### Revenue Transaction

The school district receives a federal lunch reimbursement allowance. The revenue would be coded as follows:

<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
13	5310	0	0000	0000	8220	000

- **Fund 13 is the Cafeteria Special Revenue Fund.**
- Resource 5310 is Child Nutrition: School Programs.
- Project Year is not required because the program year follows the fiscal year.
- Goal is generally not required for revenues.
- Function is not required for revenues.
- Object 8220 is Child Nutrition Programs.
- School is not required.

#### Expenditure Transaction

The district purchases food for the school lunches. The expenditure would be coded as follows:

<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
13	5310	0	0000	3700	4700	123

- **Fund 13 is the Cafeteria Special Revenue Fund.**
- Resource 5310 is Child Nutrition: School Programs.
- Project Year is not required because the program year follows the fiscal year.
- Goal 0000 is Undistributed.
- Function 3700 is Food Services.
- Object 4700 is Food.
- School 123 is the ABC Elementary School. Coding of the school field is not required; however, LEAs may wish to code expenditures for local information.

#### Balance Sheet Transaction

At year-end a contract has not yet been paid, and the payable is coded as follows:

<u>Fund/Group</u>	<u>Resource</u>	<u>Project Year</u>	<u>Goal</u>	<u>Function</u>	<u>Object</u>	<u>School</u>
13	5310	0	0000	0000	9500	000

- **Fund 13 is the Cafeteria Special Revenue Fund.**
- Resource 5310 is Child Nutrition: School Programs.
- Project Year is not required because the program year follows the fiscal year.
- Goal is not required for balance sheet transactions.
- Function is not required for balance sheet transactions.
- Object 9500 is Accounts Payable.
- School is not required.

### 3. List of Fund/Account Groups

<u>Code</u>	<u>Description</u>
<b>01–60</b>	<b>GOVERNMENTAL FUNDS</b>
01	General Fund/County School Service Fund
03	<i>General Fund Unrestricted</i>
06	<i>General Fund Restricted</i>
09–20	Special Revenue Funds
09	Charter Schools Special Revenue Fund
11	Adult Education Fund
12	Child Development Fund
13	Cafeteria Special Revenue Fund
14	Deferred Maintenance Fund
15	Pupil Transportation Equipment Fund
16	Forest Reserve Fund
17	Special Reserve Fund for Other Than Capital Outlay Projects
18	School Bus Emissions Reduction Fund
19	Foundation Special Revenue Fund
21–50	Capital Project Funds
21	Building Fund
25	Capital Facilities Fund
30	State School Building Lease-Purchase Fund
35	County School Facilities Fund
40	Special Reserve Fund for Capital Outlay Projects
51–56	Debt Service Funds
51	Bond Interest and Redemption Fund
53	Tax Override Fund
56	Debt Service Fund
57–60	Permanent Funds
57	Foundation Permanent Fund
<b>61–70</b>	<b>PROPRIETARY FUNDS</b>
61–65	Enterprise Funds
61	Cafeteria Enterprise Fund
63	Other Enterprise Fund
66–68	Internal Service Funds
66	Warehouse Revolving Fund
67	Self-Insurance Fund

## 101—Fund/Account Group

<u>Code</u>	<u>Description</u>
<b>71–95</b>	<b>FIDUCIARY FUNDS</b>
71–75	Trust Funds
71	Retiree Benefit Fund
72	Article XIII-B Fund
73	Foundation Private Purpose Trust Fund
76–95	Agency Funds
76	Warrant/Pass-through Fund*
95	Student Body Fund*
<b>96–99</b>	<b>ACCOUNT GROUPS</b>
96	General Fixed Asset Account Group**
97	General Long-Term Debt Account Group

\*Not required to be reported to CDE; however, these fund groups are required to be included in the audited financial statements to meet GAAP reporting requirements.

\*\* Currently, the General Fixed Asset Account Group is not required by CDE. However, there is a requirement to report capital assets in the government-wide financial statements under GASB Statement 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*.

#### **4. Flexibility of the Fund/Account Group Field**

When LEAs submit data to CDE, they must use the fund codes presented in Part II of the *California School Accounting Manual*. LEAs may establish additional funds at the local level by using the unassigned codes in this fund structure. However, any locally defined funds must “roll up” for reporting purposes. For example, if an LEA uses fund numbers 36, 37, and 38 to establish separate funds for each of its state school building projects, these funds must “roll up” to Fund 35 for reporting purposes. In addition, LEAs need to be aware that the CDE may use the currently unassigned codes for additional funds in the future.

## 101—Fund/Account Group

### 5. List of Fund/Account Groups with Descriptions

Governmental Accounting Standards Board Statement 34 (GASB 34) established a new governmental financial reporting model. The Fund/Account Group Section has been updated to describe fund classifications and types based on the new model. LEAs that have not yet implemented GASB 34 may utilize the new fund types if they wish, but are not required to do so.

#### 01–60 GOVERNMENTAL FUNDS

01 **General Fund (school districts and joint powers agreements [JPAs]/County School Service Fund for county offices).** The General Fund and the County School Service Fund (CSSF) are used to account for the ordinary operations of an LEA. All transactions except those required or permitted by law to be in another fund are accounted for in these funds.

Restricted projects or activities within the General Fund must be identified and separated from unrestricted activities. The LEA has the option of using one general fund or of separating transactions into two general funds: restricted and unrestricted.

03 ***General Fund Unrestricted (Optional).*** *The General Fund Unrestricted is used to account for those projects and activities that are funded with unrestricted revenues.*

06 ***General Fund Restricted (Optional).*** *The General Fund Restricted is used to account for those projects and activities that are funded by external revenue sources that are legally restricted or restricted by the donor to specific purposes.*

09–20 **Special Revenue Funds .** Special revenue funds are established to account for the proceeds from specific resources, which by law are restricted to the financing of particular activities.

09 **Charter Schools Special Revenue Fund.** The Charter Schools Special Revenue Fund is used to report separately the activities of those charter schools not included in the General Fund or in the County School Service Fund.

The principal revenues in this fund are the following:

- Charter Schools General Purpose Entitlement-State Aid
- Charter Schools Categorical Block Grant
- Charter Schools Funding in Lieu of Property Taxes
- Lottery
- Interest
- All Other Local Revenue

11 **Adult Education Fund.** The Adult Education Fund is used to account separately for federal, state, and local revenues for adult education programs.

The principal revenues in this fund are the following:

- Adult Education Block Entitlement
- Apprentice Transfer from the General Fund
- Workforce Investment Act (WIA)

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Other Federal Revenue (e.g., Adult Basic Education)  
All Other State Revenue  
Interest  
Adult Education Fees  
All Other Local Revenue

Expenditures in this fund must be for adult education purposes only; money received for programs other than adult education shall not be expended for adult education (*Education Code* sections 52616[b] and 52501).

Other educational programs and activities that are administered by adult education staff but do not specifically serve adults should be expended in the LEA's general fund.

12

**Child Development Fund.** The Child Development Fund is used to account separately for federal, state, and local revenues to operate child development programs (*Education Code* Section 8328).

The principal revenues and other sources in this fund are the following:

Economic Opportunity Act  
Child Nutrition Programs (Federal)  
State Preschool  
Child Nutrition Programs (State)  
Child Development Apportionments  
All Other State Revenue  
Interest  
Child Development Parent Fees  
All Other Local Revenue  
Interfund Transfers In

The Child Development Fund may be used only for expenditures for the operation of child development programs.

Child development programs that are not subsidized by state or federal funds and that are operated with the intent of recovering the costs of the program through parent fees or other charges to users should be accounted for in an enterprise fund.

13

**Cafeteria Special Revenue Fund.** The Cafeteria Special Revenue Fund (*Education Code* sections 38090–38093) is used to account separately for federal, state, and local resources to operate the food service program.

The principal revenues in this fund are the following:

Child Nutrition Programs (Federal)  
Child Nutrition Programs (State)  
Food Service Sales  
Interest  
All Other Local Revenues

## 101—Fund/Account Group

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### Description

The Cafeteria Fund shall be used only for expenditures for the operation of the LEA's food service program (*Education Code* sections 38091 and 38100). The governing board of an LEA may establish and maintain within the Cafeteria Fund a reserve for cafeteria equipment (*Education Code* Section 38102).

- 14      **Deferred Maintenance Fund.** The Deferred Maintenance Fund is used to account separately for state apportionments and the LEA's contributions for deferred maintenance purposes (*Education Code* sections 17582–17587).

The principal revenues in this fund are the following:

Deferred Maintenance Allowance  
Interest  
Interfund Transfers In

Expenditures in this fund are intended for major repairs or replacements under the plan approved by the Office of Public School Construction (*Education Code* Section 17582).

- 15      **Pupil Transportation Equipment Fund.** The Pupil Transportation Equipment Fund is used to account separately for state and local revenues for the acquisition, rehabilitation, or replacement of equipment used to transport students (*Education Code* Section 41852[b]).

Typical expenditures in this fund are items charged to Object 4400, Noncapitalized Equipment, Object 6400, Equipment, and Object 6500, Equipment Replacement.

- 16      **Forest Reserve Fund (county offices).** The Forest Reserve Fund exists primarily to account separately for federal forest reserve funds received by offices of county superintendents for distribution to school districts (*Education Code* Section 2300). See Section 206, Forest Reserve, for appropriate coding.

- 17      **Special Reserve Fund for Other Than Capital Outlay Projects.** The Special Reserve Fund for Other Than Capital Outlay Projects is used primarily to provide for the accumulation of General Fund money for general operating purposes (*Education Code* Section 42842). Amounts from this special reserve fund must first be transferred into the General Fund or other appropriate fund of the LEA before expenditures can be made.

- 18      **School Bus Emissions Reduction Fund.** The School Bus Emissions Reduction Fund is used to accumulate money for the purchase or lease of new low- or zero-emission school buses or for the retrofitting of existing school buses (*Education Code* sections 17920–17926). The money could come from private parties as payment for the right to use emission reduction credits or from air pollution control district and air quality management district grants. Resource 7236, School Bus Emissions Reduction, may be deposited to the General Fund as well as to Fund 18.

More than 50 percent of money deposited in the School Bus Emissions Reduction Fund must come from local LEA revenues. The LEA's contribution could be local sources or unrestricted General Fund money but *cannot* be money from the existing Small School District Bus Replacement Program. This restriction also applies to any new money that the

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Description

state appropriates for the purchase or lease of new low- or zero-emission school buses or for the retrofitting of existing school buses.

19

**Foundation Special Revenue Fund.** The Foundation Special Revenue Fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 under which both earnings and principal may be used for purposes that support the LEA's own programs.

This fund should be used when there is a formal trust agreement with the donor. Other types of donations should be accounted for in the General Fund. Amounts in the Foundation Special Revenue Fund shall be expended only for the specific purposes of the gift or bequest (*Education Code* Section 41032).

Resources accounted for in the Foundation Special Revenue Fund would have been accounted for in an expendable trust fund prior to GASB 34.

21–50

**Capital Project Funds.** Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Capital projects are coded to Function 8500, Facilities Acquisition and Construction. Instructional functions may not be used in capital project funds.

21

**Building Fund.** The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146). Other authorized revenues to the Building Fund are (1) proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code* Section 17462); and (2) revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code* Section 41003).

The principal revenues and other sources in this fund are the following:

- Rentals and Leases
- Interest
- Proceeds from the Sale of Bonds
- Proceeds from the Sale/Lease-Purchase of Land and Buildings
- Federal Emergency Management Act (FEMA)

Expenditures in the Building Fund are most commonly made against the Object 6000, Capital Outlay, and accounts. Another example of an authorized expenditure in the Building Fund is repayment of State School Building Aid out of proceeds from the sale of bonds (*Education Code* Section 16058).

25

**Capital Facilities Fund.** The Capital Facilities Fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code* sections 17620–17626). The authority for these levies may be county/city ordinances (*Government Code* sections 65970–65981) or private agreements between the LEA and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code* Section 66006).

## 101—Fund/Account Group

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The principal revenues in this fund are the following:

Interest  
Mitigation/Developer Fees

Expenditures in the Capital Facilities Fund are restricted to the purposes specified in *Government Code* sections 65970–65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

30

**State School Building Lease-Purchase Fund.** The State School Building Lease-Purchase Fund is used primarily to account separately for state apportionments as provided by *Education Code* sections 17000–17039. The LEA may be required to transfer to this fund any available moneys from other funds as the LEA’s contribution to a particular project.

The principal revenues and other sources in this fund are the following:

Interest  
Interfund Transfers In  
School Facilities Apportionments

Typical expenditures in this fund are items charged to Object 6200, Buildings and Improvements of Buildings, and Object 6300, Books and Media for New School Libraries.

35

**County School Facilities Fund.** The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the State School Facilities Fund authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants.

The principal revenues and other sources in this fund are the following:

School Facilities Apportionments  
Interest  
Interfund Transfers In

Typical expenditures in this fund are for the costs of site, site improvements, buildings, building improvements, and furniture and fixtures capitalized as a part of the construction project. Funding provided by the State Allocation Board for reconstruction of facilities after disasters such as flooding may be deposited to Fund 35.

40

**Special Reserve Fund for Capital Outlay Projects.** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code* Section 42840). Other authorized resources that may be transferred to the Special Reserve Fund are (1) proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code* Section 17462); (2) rentals and leases of real property specifically authorized for deposit to the fund by the governing board (*Education Code* Section 41003); and (3) excess amounts sufficient to pay all unpaid bond obligations (*Education Code* Section 15235).

**Code****Description**

The principal revenues and other sources in this fund are the following:

Rentals and Leases  
Interest  
Other Authorized Interfund Transfers In  
Proceeds from Sale/Lease-Purchase of Land and Buildings

Resource 6200, Class Size Reduction Facilities Funding, may be transferred from the General Fund to Fund 40 for construction projects. Transfers authorized by the governing board from the General Fund must be expended for capital outlay purposes. Proceeds from the sale or lease-with-option-to-purchase may be spent for capital outlay purposes, costs of maintenance of the LEA's property, and future maintenance and renovation of school sites (*Education Code* Section 17462). Expenditures for capital outlay are most commonly made against the 6000 object codes for capital outlay.

Salaries of school district employees whose work is directly related to projects financed by Fund 40 revenues are capitalized as a part of the capital facilities project. Function 1000, Instruction; Function 2420, Instructional Library, Media and Technology; Function 7200, General Administration; and other operational functions of the General Fund are not used in a capital facilities fund.

51–56      **Debt Service Funds .** Debt service funds are established to account for the accumulation of resources for and the payment of the principal and interest on general long-term debt.

51          **Bond Interest and Redemption Fund.** The Bond Interest and Redemption Fund is used for the repayment of bonds issued for an LEA (*Education Code* sections 15125–15262).

The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the LEA. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the LEA.

The county auditor maintains control over the LEA's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

The principal revenues in this fund are the following:

State Subventions for Homeowners' Exemptions  
Other Subventions/In-lieu Taxes  
Secured Roll Taxes  
Unsecured Roll Taxes  
Prior Years' Taxes  
Interest

Expenditures in this fund are limited to bond interest, redemption, and related costs. Excess money shall be transferred to the General Fund (*Education Code* Section 15234) or the Special Reserve Fund (*Education Code* Section 15235).

<b>101—Fund/Account Group</b>
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**Description**

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**Tax Override Fund.** The Tax Override Fund is used for the repayment of voted indebtedness tax levies (other than Bond Interest and Redemption Fund repayments) to be financed from the ad valorem tax levies. An example is a public school building loan repayment.

Interest earned in the Tax Override Fund is credited to the General Fund of the LEA. The principal revenues in this fund are the following:

- State Subventions for Homeowners' Exemptions
- Other Subventions/In-lieu Taxes
- Secured Roll Taxes
- Unsecured Roll Taxes
- Prior Years' Taxes
- Supplemental Taxes

Authorized Levies

- Public school building loan repayments (*Education Code* Section 15742)
- State school buildings loan repayments (*Education Code* Section 16090)
- Compensatory education housing repayments (*Education Code* Section 16214)
- Lease purchase payment levies (*Education Code* Section 17409)
- Construction of exceptional children's facilities repayment (*Education Code* Section 16196)
- Other voter-approved debt service levies

56

**Debt Service Fund.** The Debt Service Fund is used for the accumulation of resources for and the retirement of principal and interest on general long-term debt.

The principal source in this fund is the following:

- Other Authorized Interfund Transfers In

Expenditures are most commonly made against the 7400 object codes for debt service.

57–60

**Permanent Funds.** Permanent Funds were introduced as part of the governmental financial reporting model established by GASB Statement 34 to account for permanent foundations that benefit a LEA.

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**Foundation Permanent Fund.** The Foundation Permanent Fund is used to account for resources received from gifts or bequests pursuant to *Education Code* Section 41031 that are restricted to the extent that earnings, but not principal, may be used for purposes that support the LEA's own programs.

This fund should be used when there is a formal trust agreement with the donor. Other types of donations should be accounted for in the General Fund. Amounts in the Foundation Permanent Fund shall be expended only for the specific purposes of the gift or bequest (*Education Code* Section 41032).

Resources accounted for in the Foundation Permanent Fund would have been accounted for in a non-expendable trust fund prior to GASB 34.

<u>Code</u>	<u>Description</u>
61–70	<b>PROPRIETARY FUNDS</b>
61–65	<p><b>Enterprise Funds.</b> Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. An enterprise fund must be used to report any activity whose principal revenue sources meet any of the following criteria:</p> <ol style="list-style-type: none"> <li>1. The LEA has issued debt backed solely by fees and charges from that activity.</li> <li>2. There is a legal requirement that the cost of providing services, including capital costs such as depreciation or debt service, must be recovered through fees or charges.</li> <li>3. The LEA's policy is to establish activity fees or charges designed to recover the cost of providing services, including capital costs such as depreciation or debt service.</li> </ol> <p>An enterprise fund is accounted for on a full-accrual basis. In an enterprise fund, capital assets and long-term debt (including all long-term debt obligations such as vacation pay and capital leases) are recorded in the fund, not in the account groups. All revenues and expenses (rather than expenditures) are recorded, regardless of when they are received or paid. Depreciation of capital assets is recorded.</p> <p>Generally, use Goal 0000, Undistributed, with an enterprise fund. The costs of an enterprise fund are not included in the program cost report (PCR) nor are the goals of an enterprise fund necessary for the district-wide statements.</p>
61	<p><b>Cafeteria Enterprise Fund.</b> The Cafeteria Enterprise Fund may be accounted for as an enterprise fund rather than as a special revenue fund even though its primary source of financing comes from federal and state child nutrition program revenues rather than through the price paid for meals by the students. CDE recommends that an LEA use only an enterprise fund to account for its cafeteria operations if the LEA's governing board intends to operate its cafeteria program in a manner similar to that employed by private business enterprises and to fully recover all costs of providing services, including depreciation of capital assets.</p>
63	<p><b>Other Enterprise Fund.</b> The Other Enterprise Fund may be used to account for business activities other than cafeteria services. This fund may be used to account for any activity that an LEA accounted for in an enterprise fund prior to issuance of GASB 34 even if the activity does not otherwise meet the criteria for using an enterprise fund.</p> <p>Fund 63 uses only Function 6000, Enterprise.</p>
66–68	<p><b>Internal Service Funds.</b> Internal service funds are created principally to render services on a cost-reimbursement basis to other organizational units of the LEA. These funds are generally intended to be self-supporting.</p>
66	<p><b>Warehouse Revolving Fund.</b> The Warehouse Revolving Fund is used primarily to maintain budget control and stock accounting of merchandise for an LEA's use (<i>Education Code</i> Section 42830). The Warehouse Revolving Fund is reimbursed from various funds of the LEA for amounts consumed by these user funds.</p>

## 101—Fund/Account Group

### Code

### Description

Expenses in the Warehouse Revolving Fund may include the purchase of stores to be placed in stock and the costs of receiving, storing, and delivering stores (*Education Code* Section 42832).

67

**Self-Insurance Fund.** Self-insurance funds are used to separate moneys received for self-insurance activities from other operating funds of an LEA. Separate funds may be established for each type of self-insurance activity, such as workers' compensation, health and welfare, and deductible property loss (*Education Code* Section 17566).

The principal revenues in this fund are the following:

- Interest
- In-District Premiums/Contributions
- Interagency Revenues
- All Other Local Revenue

Expense transactions in the Self-Insurance Fund shall be recorded for the payment of claims, estimates of costs relating to incurred-but-not-reported (IBNR) claims, administrative costs, deductible insurance amounts, cost of excess insurance, and other related costs. Most of the activities of the Self-Insurance Fund should be coded to Function 6000, Enterprise. (See *California School Accounting Manual*, Part I, Procedure No. 902.)

Amounts contributed to a Self-Insurance Fund are lawfully restricted for insurance purposes (*Education Code* Section 17566 and *Government Code* Section 53205).

## 71–95 FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the LEA's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

71–75

**Trust Funds.** Trust funds are divided between pension and other employee benefit trust funds and private purpose trust funds.

Pension and other employee benefit trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, post employment benefit plans, or other employee benefit plans. For a state-administered pension system such as STRS or PERS, the state, not the LEA, maintains the pension (and other employee benefits) trust funds.

71

**Retiree Benefit Fund.** The Retiree Benefit Fund exists to account separately for restricted money from salary reduction agreements, other contributions for employees' retirement benefit payments, or both.

Money may be transferred to the Retiree Benefit Fund from other funds by periodic expense charges in amounts based on existing and future obligation requirements. Payments may be

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made from the fund for insurance, annuities, administrative costs, or any other authorized purpose (*Education Code* Section 42850).

The principal revenues in this fund are the following:

Interest  
In-District Premiums/Contributions  
All Other Local Revenue

Expenditures in the Retiree Benefit Fund are made from Object 5800, Professional/Consulting Services and Operating Expenditures. Use with Function 6000, Enterprise.

Private purpose trust funds are used to report trusts that benefit the LEA itself.

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**Article XIII-B Fund.** Note: The Article XIII-B Fund is being phased out and will be eliminated altogether effective in fiscal year 2003-2004 as a result of guidance in GASB 34 relating to fiduciary funds. LEAs utilizing this fund should eliminate it concurrently with their implementation of GASB 34 and instead use one or more of the other funds defined in this manual.

The Article XIII-B Fund is an expendable trust fund whose purpose is to allow an LEA to establish “such contingency, emergency, unemployment, reserve, retirement, sinking fund, trust, or similar funds it shall deem reasonable and proper,” as authorized in Section 5, Article XIII-B, of the State Constitution.

The principal revenues in this fund are the following:

Interest  
Other Authorized Interfund Transfers In

Expenditures may not be made from the Article XIII-B Fund. Amounts from this fund must be transferred to other authorized funds before expenditures can be made.

73

**Foundation Private Purpose Trust Fund.** The Foundation Private Purpose Trust Fund is an optional fund used to account separately for gifts or bequests per *Education Code* Section 41031 that benefit individuals, private organizations, or other governments, and under which neither principal nor income may be used for purposes that support the LEA’s own programs.

This fund should be used when there is a formal trust agreement with the donor. Other types of donations should be accounted for in the General Fund. Amounts in the Foundation Private Purpose Trust Fund shall be expended only for the specific purposes of the gift or bequest (*Education Code* Section 41032).

## 101—Fund/Account Group

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#### **Agency Funds**

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**Warrant/Pass-through Fund.** (Not required to be reported to CDE; however, this fund is required to be included in the audited financial statements to meet the GAAP reporting requirements.) The Warrant/Pass-through Fund exists primarily to account separately for amounts collected from employees for federal taxes, state taxes, credit unions, and other contributions. It is also to account for those receipts for transfer to agencies for which the LEA is acting simply as a “cash conduit.”

It is recommended that two agency funds be used at a local level: One for clearing payroll withholdings and another for the pass-through of resources. If the LEA chooses to report this information to CDE, the funds would combine into one Fund 76.

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**Student Body Fund.** (Not required to be reported to CDE; however, this fund is required to be included in the audited financial statements to meet the GAAP reporting requirements.) In the financial reports of the LEA, the Student Body Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts such as Due to Student Groups. The student body itself maintains its own general fund, which accounts for the transactions of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body (*Education Code* sections 48930–48938). Sources of receipts include, but are not limited to, fund-raising ventures, student store merchandise sales, athletic and student body performances, concessions, publications, gifts, grants, and interest. Unorganized student body funds are governed by the same principles of student body accounting that govern organized student body funds (*Education Code* Section 48938).

Disbursements from the student body’s general ledger may be made for merchandise, student body activities, food, hospitality, and student awards (*California Code of Regulations, Title 5, Education*, sections 15500 and 15501).

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#### **ACCOUNT GROUPS**

The following guidance on account groups is included for the benefit of those LEAs that have not yet implemented the new governmental reporting model established by GASB Statement 34. In the new reporting model, account groups are eliminated. Instead, capital assets and long-term debt balances are reported in the government-wide statement of net assets, and capital asset and long-term debt schedules are disclosed in the notes to the financial statements.

In addition to the funds described above, two account groups are used in fund accounting: the General Fixed Asset Account Group and the General Long-Term Debt Account Group. The account groups are self-balancing sets of accounting records that classify and record the amounts of the general fixed assets and the general long-term debt of the LEA. The term general in the title of the account groups indicates that the assets and long-term debt are not included in specific funds.

CodeDescription

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**General Fixed Asset Account Group.** (Not required to be reported to CDE; however, this account group is required to be included in the audited financial statements to meet the GAAP reporting requirements.) The General Fixed Asset Account Group is a management control and accountability listing of the LEA's general fixed assets. It is established to account for long-lived assets not accounted for in the proprietary or trust funds. General fixed assets are those assets of a physical nature that have a long period of usefulness to and are owned by the LEA. They include buildings, land, furniture, and equipment.

*Education Code* Section 35168 requires that LEAs maintain information on equipment, including costs, descriptions, names, identification numbers, acquisition dates, locations of use, and the times and means of disposal. LEAs should maintain similar information for all fixed assets. All fixed assets should be recorded at cost. In instances in which the cost of an item is not available, LEAs should use the estimated cost. Donated fixed assets should be recorded at their estimated fair market values at the time received.

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**General Long-Term Debt Account Group.** The General Long-Term Debt Account Group is established to account for the unmatured principal of long-term indebtedness that is not the primary obligation of the proprietary or trust funds. Long-term debt comprises outstanding bonds, long-term notes payable, capital leases, and long-term liabilities for compensated absence and other post-employment benefits. Typically, long-term debts are incurred to construct or purchase buildings, land, and equipment for the LEA. LEAs should maintain detailed information on all of their long-term debts, including issue dates, interest rates, total debts outstanding, principal and interest repayments, and so forth.

<b>101—Fund/Account Group</b>
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